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June 27, 2014

Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85004

ORIGINAL

RE: Ajo Improvement Company – 230 kV transmission line from Gila Bend to Ajo – determination of non-material change or request to modify under A.R.S. § 40-252. Docket No. L-00000G-97-0089

Dear Commissioners:

Ajo Improvement Company ("AIC" or "Company") intends to construct the approximate 47-mile 230 kV transmission line from Gila Bend to Ajo (the "Project") with steel monopoles. The original Certificate of Environmental Compatibility ("CEC") approved the Project using primarily wooden structures. AIC does not believe the change from wood to steel is a material change requiring a modification to the CEC, and requests that the Commission make that determination. To the extent, however, the Commission believes that this is a material change to the CEC, the Company requests approval of the change under A.R.S. § 40-252.

By way of background, the Commission approved a CEC for the Project in Decision No. 60841 (April 30, 1998). The primary purpose for the Project would be to serve the New Cornelia Branch copper mine near Ajo that Freeport (formerly Phelps Dodge Corporation) has been considering reactivating. Whether to open the copper mine is still under consideration, but the mining operations drives the need for the Project. The Project has received several extensions of time, with the most recent extension granted in Decision No. 74086 (September 23, 2013) until April 30, 2024.

AIC originally envisioned constructing the Project with wooden poles when the Commission approved the CEC in 1997. AIC now intends to construct the Project with steel structures, for the simple reason that steel structures are significantly more reliable than wooden structures.[1] Even so, this is a change from AIC's application, which stated that the Project would be built with "primarily wooden structures."

Decision No. 70957 (April 7, 2009) has some discussion regarding using steel versus wooden structures for the Project. There, it indicates that while AIC believed the change to steel is not a substantial change, Staff indicated that more information would be needed to better understand the issues involved.

AIC submits that the *only* change to the Project would be to use steel structures versus wooden structures. The heights of the structures will not change from what was described in the Project application. The types of structures contemplated will not change. Attached to this letter is a diagram of the proposed steel monopoles. There will be no increased impact to environmental resources by using steel structures; and it will abide by all conditions set forth in Decision Nos. 60841 and 70957. The Project description and need remains as stated in those decisions.

AIC believes the change to using steel structures for the Project does not constitute a substantial or material change. To the extent a formal determination is needed, AIC respectfully requests that the Commission make the determination that using steel structures for the Project is not a substantial or material change.

Nevertheless, the Company understands that the Commission may conclude the change is material, requiring a modification to the CEC. Thus, in the alternative, AIC respectfully requests that – if the Commission determines that using steel structures for Project is a material change – AIC respectfully requests approval of that change under A.R.S. § 40-252.

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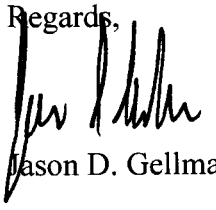
[1] AIC is not aware of any NERC standard regarding the use of steel versus wood structures and some debate apparently remains. Nevertheless, steel structures are being used with more frequency particularly for high-voltage transmission, as less likely to be pulled down during a heavy storm and with a useful life significantly longer than wood structures. See e.g. Roger Hall and Ron Runion, *Tucson Electric Power evaluates the benefits of switching from wood to steel distribution poles,* T&D World Magazine (September 2010) available at http://tdworld.com/overhead-distribution/lining-steel (last checked June 23, 2014)

Please do not hesitate to contact me with questions or concerns.

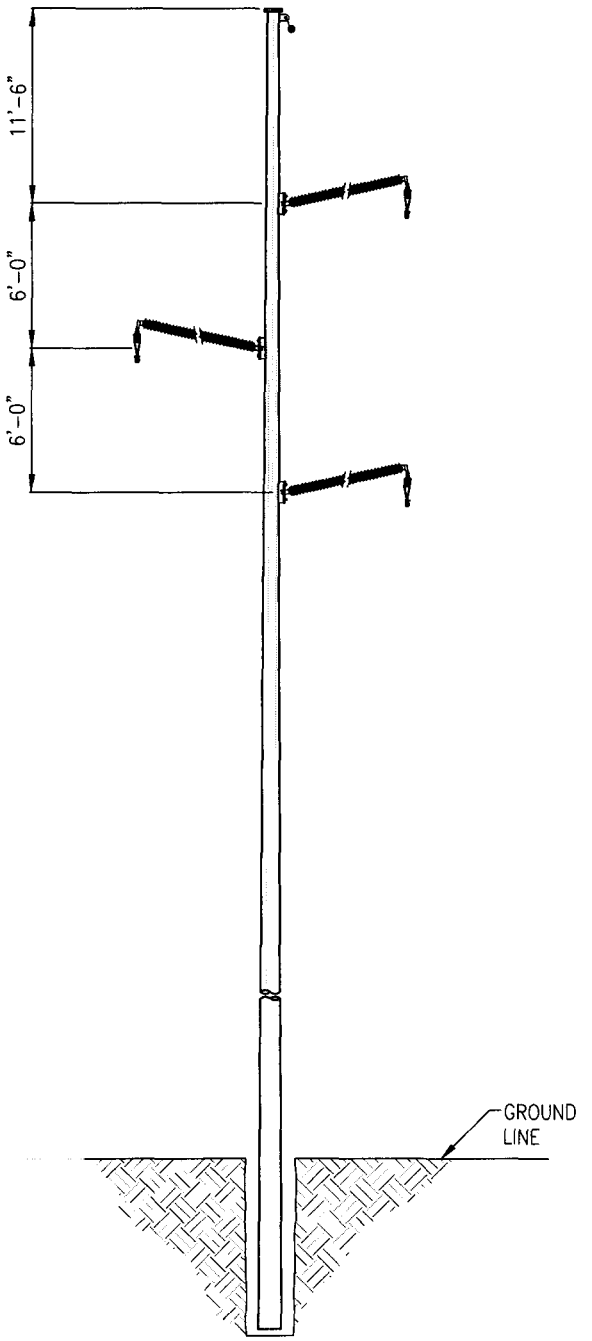
Regards,



Jason D. Gellman

JDG/jh
Enclosure
cc: Roy Archer, President, Ajo Improvement Company

REV	REVISIONS	DATE	DRN	DSGN	CKD	APPD



DSGN	DE	6/18/14	FREEPORT–McMoRan, INC	JOB NUMBER 127774	REV
DRN	GC	6/18/14	AJO MINE 230kV TRANSMISSION LINE		
CKD				DRAWING NUMBER	
SCALE: NOT TO SCALE			230kV TANGENT STEEL POLE DIRECT EMBEDDED – 300'–700' SPANS	SKETCH 02	
FOR 8.5x11 DWG ONLY					

REFERENCE DRAWINGS

POWER ENGINEERS

SKETCH 01 – 02.dwg cowley C:\Users\gcowley\appdata\local\temp\AcPublish_2816\SKETCH 01 – 02.dwg SKETCH 02 Jun 19, 2014 – 10:23am